Benefit of Fertilizer Subsidy to Farmers

† 3015. SHRI BRATIN SENGUPTA: Wiil the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that farmers are not actually getting the benefits of the subsidy which are being cornered by private sector fertilizer companies only; if so, whether Government have conducted any study to the matter;

(b) if so, to what extent the farmers get benefit of subsidy being given to private sector fertilizer companies; and

(c) the steps taken by Government in this regard and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) In order to make available fertilizers at affordable prices, the Government provides subsidy on urea and concession on de-controlled Potassic and Phosphatic fertilizers. Government fixes the Maximum Retail Price (MRP) in case of urea, the only controlled fertilizer and indicates MRPs in case of decontrolled P & K fertilizers. The MRPs of Single Supre Phosphates are indicated by respective State Governments. The fertilizers are sold at uniform MRP and indicative MRPs, as the case may be, to the farmers throughout the country, which are far less than the cost of vcoduction of fertilizers. Thus, the benefit is passed on to the farmers in the form of uniform and subsidised MRPs.

The Government is seized of the matter relating to excess drawal of subsidy by some urea manufacturing companies on account of understatement of capacity of their units. The Government have appointed a Committee of Experts under the Chairmanship of Dr. Y.K. Alagh to address to the total issue of reassessment of capacity including recoveries that may have to be effected. However, pending receipt of report of Dr. Alagh Committee and the

† Original notice of the question was received in Hindi.

Government's decision thereon, an interim reassessment of capacities of 15 urea units has already been carried out *w.e.f.* 1.4.2000, which would result in a saving of Rs. 450 crore per annum approximately.

Use of Fertilizers By Small Farmers

† 3016. SHRIMATI SAROJ DUBEY: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government are aware that most of the small farmers are unable to use adequate fertilizers in their crops because the same have become costly;

(b) if so, whether Government are going to take any steps to make the fertilizers available at lower prices to such farmers;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) to (d) The prices of fertilizers like Urea, Di-Ammonium Phosphate (DAP), Murate of Potash (MoP) and Complex fertilizers were last increased in Budget 2000-2001. The total impact of the fertilizer price increase effected in Budget 2000-2001, on the cost of cultivation was estimated to be less than 1.5%. The policy of the Government is to ensure adequate supply of quality fertilizers to farmers at reasonable prices. The Government fixes the farm gate price of urea which is the only controlled fertilizer and indicates Maximum Retail Price (MRP) in respect of decontrolled fertilizers like DAP, MoP, Complex fertilizers. The MRPs in respect of Single Super Phosphate (SSP) are indicated by respective State Governments. To enable the sale of these fertilizers to fanners at reasonable prices, the Government pays large amount of subsidy/ concession to maintain the price even at the present level. The benefit of subsidized fertilizer prices is available to all farmers including small farmers.

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